

SECOND REGULAR SESSION

SENATE BILL NO. 954

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GRIESHEIMER.

Read 1st time January 25, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4759S.01I

AN ACT

To amend chapter 137, RSMo, by adding thereto one new section relating to personal property tax, with an effective date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 137, RSMo, is amended by adding thereto one new
2 section, to be known as section 137.103, to read as follows:

137.103. 1. As used in this section, the following terms mean:

2 (1) "Lessee", any person who rents or leases machinery from a
3 rental company;

4 (2) "Machinery", machinery and equipment used for commercial
5 or industrial purposes, including heavy equipment without an operator,
6 that may be used for construction, mining, forestry, or material
7 handling, including but not limited to aerial lifts, air compressors and
8 air tools, compaction equipment, concrete and masonry equipment,
9 bulldozers and other earthmoving equipment, electrical supply and
10 regulatory equipment, cranes, fork lifts and other material-handling
11 equipment, welding equipment, heating and cooling equipment, lawn
12 and landscaping equipment, plumbing equipment, power tools, pressure
13 washers and pumps, surveying equipment, trench digging and safety
14 equipment, and well-drilling machinery and equipment. The term does
15 not include vehicles used solely for the transportation of persons or
16 property or motor vehicles required to be registered under chapter 301,
17 RSMo, unless such motor vehicle is integrated with machinery and
18 equipment that is specifically designed or adapted for use in commercial
19 or industrial construction, mining, forestry, or material handling;

20 (3) "Rental company", any business entity that is engaged in the
21 business of renting or leasing machinery in this state to one or more

22 lessees and that uses five or more pieces of machinery for such rental or
23 leasing purposes.

24 2. There is hereby imposed a surcharge of two and one-half
25 percent on machinery rented or leased within the state by a rental
26 company to a lessee. Such surcharge shall be imposed on the total
27 amount charged by the rental company to the lessee for the rental of the
28 machinery less any sales and use taxes on such transaction and shall be
29 in addition to any tax otherwise applicable to such transaction. The
30 surcharge imposed in this section shall not be included in the measure
31 of the sales and use taxes imposed under chapter 144, RSMo.

32 3. The full amount of surcharge imposed in this section shall be
33 collected by the rental company from the lessee, and such surcharge
34 shall be paid by the lessee to the rental company. Such surcharge shall
35 be a debt from the lessee to the rental company when so added to the
36 lease or rental price and shall be recoverable at law in the same manner
37 as other debts. The rental contract shall state the rental charge
38 separately. The rental surcharge shall, subject to the provisions of
39 subsection 4 of this section, be retained by the rental company and may
40 be used by the rental company solely for the purpose of paying personal
41 property taxes on machinery subject to the surcharge.

42 4. Beginning on February 15, 2008, and on or before February
43 fifteenth of each year thereafter, every rental company subject to the
44 provisions of this section shall file an annual report with the director of
45 revenue detailing the aggregate amount of personal property tax that is
46 actually paid by such rental company to any political subdivision of the
47 state of Missouri for the immediately preceding tax year on machinery
48 that is subject to the surcharge imposed in this section, the aggregate
49 amount of the rental surcharge that is actually collected by such rental
50 company during the preceding calendar year, and any other pertinent
51 information the director deems necessary for the proper administration
52 of this section. Such report shall be accompanied by a remittance of any
53 surcharge amounts collected by the rental company that exceeds the
54 aggregate amount of personal property tax that is actually paid by such
55 rental company to any political subdivision of the state of Missouri for
56 the immediately preceding tax year.

57 5. All surcharge remittances not paid to the director of revenue
58 by the rental company on or before the date when the same becomes due

59 and payable to the director of revenue shall bear interest at the rate
60 determined by section 32.065, RSMo, from and after such date until paid.
61 In addition to such interest, a penalty of fifteen percent of the surcharge
62 due under this section and remaining unpaid shall be assessed for
63 failure to file any return or remit the surcharge to the director of
64 revenue by the due date, unless it is shown that such failure is due to
65 reasonable cause and not the result of willful neglect, evasion, or
66 fraudulent intent.

67 6. The director of revenue shall transfer all amounts collected
68 under the provisions of this section, including interest and penalties, to
69 the state treasurer for deposit in the general revenue fund.

Section B. Section A of this act shall become effective January 1, 2007.

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Bill

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